

**BATTLE GROUND SCHOOL DISTRICT No. 119**  
**Clark County, Washington**  
**September 1, 1991 Through August 31, 1992**

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**Schedule Of Findings**

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1. The District Should Comply With The Federally Funded Program Requirements

The State Superintendent of Public Instruction (SPI) passes through to the district federally funded Special Education - State Grants (Part B, Individuals with Disabilities Education Act) - (CFDA 84.027) and Special Education - Preschool Grants - (CFDA 84.173). Thus, the district must follow federal standards in accounting for the expenditure of these funds. However, it did not keep the required time distribution records to support the allocation of some payroll costs to the federal programs.

The Office of Management and Budget (OMB) Circular A-87 *Cost Principles for State and Local Governments*, Attachment B, 10 b. Payroll And Distribution of Time, states in part:

. . . Payrolls must be supported by time and attendance or equivalent records for individual employees. Salaries and wages of employees chargeable to more than one grant program or other cost objective will be supported by appropriate time distribution records. The method use should produce an equitable distribution of time and effort.

Apparently, the director of special services was not aware that the record keeping requirements applied to programs under his direction.

Through the use of reconstructed records and inquiry, we gained sufficient evidence to conclude that the federally funded programs were not overcharged during the audit period. However, failure to keep the required time and effort records could result in allocated costs being disallowed or questioned.

We recommend district officials require time distribution records be kept for all staff whose time is allocated and charged to federally funded programs.